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SOVIET UNION - EASTERN EUROPE

This publication is prepared for regional specialists in the Washington community by the USSR - Eastern Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Soviet-Libyan Arms Deal?

The USSR and Libya have been quick to publicly deny Egyptian charges that Soviet bases will be established in Libya and have said Cairo's allegations of an arms agreement worth more than \$4 billion were "exaggerated." While Cairo's charges are indeed greatly overstated, Moscow and Tripoli apparently did enter into a new arms agreement during Premier Kosygin's recent visit, and the Libyans may have agreed to permit the Soviets access to some military facilities.

A Soviet official said the details of Moscow's arms sale were to be worked out by a Soviet military aid delegation which remained in Libya after Kosygin left.

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Regarding the base issue, the Soviets have publicly blasted the Egyptian "fabrication," but have privately hinted that they did obtain some military privileges from Libya. The Soviet military attache in Cairo told several attaches last Saturday that Moscow obtained permission to use "some facilities." He gave no specifics, and we cannot rule out the possibility that he was spreading this word to increase Egyptian apprehensions.

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The Soviets at present do not make military use of Libya; Soviet naval combatants have not visited there since 1969--and the Libyans have kept a close eye on Soviet technicians and advisers. It is possible, however, Qadhafi, intent on securing Russian arms and bolstering his position against Sadat, has made some concessions to Moscow, such as permitting naval visits or granting Moscow use of Libya for technical intelligence collection. In view of Libya's long-standing opposition to any foreign bases and intense suspicion of Moscow, it seem highly unlikely, however, that Qadhafi would permit the Soviets to make extensive military use of Libya. (SECRET NO FOREIGN DISSEM/ NO DISSEM ABROAD/BACKGROUND USE ONLY/CONTROLLED DIS-SEM)



25X1A

Husak Selected as President of Czechoslovakia

The Czechoslovak Party Central Committee yesterday named party chief Gustav Husak to succeed President Ludvik Svoboda, who has been ailing for more than a year.

Husak will continue to serve as party boss. Some reports claim that he will hold the country's two top offices only until the party congress next spring.

Husak's "election" will be formalized today. The parliament will first enact a constitutional amendment, proposed by the Central Committee, to provide for removal of an incapacitated head of state before his term in office expires. With Svoboda thus out of the way, the legislature's election of Husak will be a pro forma matter.

Svoboda's final passing from the top leadership must sooner or later include his removal from the 11-member party presidium--a question the Central Committee resolution did not address. Svoboda's party status could be settled in a number of ways, but in any case Husak would probably emerge with at least slightly weakened influence.

- --Svoboda remains on the presidium. He has not been able to function for more than a year in the largely ceremonial office of the presidency, and it stands to reason that his ability to support Husak in the all-important presidium would continue to be quite limited.
- --Svoboda leaves the presidium and no replacement is named. This would presumably work to the advantage of

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the hard liners, who would be able to place Husak under increased pressure--at least until the party congress next spring.

--Svoboda loses his presidium post and a replacement is named. Almost any successor is likely to have a tougher political stance than Svoboda. (CON-FIDENTIAL)

25X1A

Leningrad Art Show a Non-Event

Police in Leningrad prevented some eight intransigent nonconformists from holding a rump outdoor art exhibit last weekend. This sad epilogue to months of planning by unconventional artists in Moscow and Leningrad graphically shows the efficacy of the regime's divisive tactics.

The attempt failed before it started. One Leningrad artist later told Western newsmen that he had been detained by police and that others who wanted to show their works were prevented from leaving their homes.

The artists, five or six from Leningrad and the others from Moscow, evidently were trying to go it alone. Late last week, a joint meeting in Moscow of nonconformists from both cities decided to "postpone" the long-planned exhibit. The decision was made after a week of harassment and threats by the KGB, and a promise by Leningrad city officials that an indoor show would be allowed later.

The backdown by the majority of the unconventional artists probably rankled the splinter group, which continues to take an all-or-nothing approach. One of the Leningrad intransigents telephoned the US consulate on May 23 to say the show would go on-possibly a last-ditch attempt to warn the authorities that they might run the risk of adverse Western diplomatic and press coverage should they try to quash the show. The regime, having isolated the reckless handful of artists from their colleagues, chose the easier way out by seeing that they never got to the exhibit area. (CONFIDENTIAL)



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Pravda Pushes Production Associations

A lead article in Pravda on May 23 indicates that Soviet authorities hope to double the number of enterprises organized into production associations this year. Pravda says that by the end of the year around a quarter of Soviet enterprises will be so amalgamated. According to other publications, 12 percent of all enterprises had been grouped into about 6,000 associations by the end of 1974.

The Pravda article follows other signs of leadership attention to the reorganization of industry (Staff Notes, April 15, April 25, May 9). It also demonstrates the resistance being met from local officials and administrators in the ministries who are heavily involved in enterprise affairs. Many associations are criticized for being too small--14 percent have less than 500 workers. Certain ministries are only slowly developing reorganization plans. Some plans envisage too much "juridical independence" for many small factories and leave the ministerial main administrations intact. The Pravda article mentions continuing difficulties in properly placing managerial personnel who have lost their posts in ministries that have been reorganized. Pravda's answer to these problems is to point to the "special role" that party committees in industrial ministries play in achieving a substantial improvement in economic management. (CONFIDENTIAL)

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